

# Grants and Controls

Auditors'  
Fall Conference  
October 2015

A	B	C	D	E	F	G
1	SAMPLE COUNTY					
2	SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS					
3	For the Year Ended December 31, 2011					
4						
5						
6						
7						
8	Federal Grantor Agency		Federal	Pass-Through	Total	
9	Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	CFDA	Entity (or Other)	Federal Awards	
10			Number	Identifying	Expended	
11				Number	12-31-11	
12	Department of Agriculture					
13	Child Nutrition Cluster					
14	Summer Food Service Program for Children	Indiana Department of Education	10.559	CNP-SF-75305	\$ 18,340	
15	Summer Food Service Program for Children					
16	Total - Child Nutrition Cluster				18,340	
17						
18	Specialty Crop Block Grant	Indiana Department of Education	10.169	12-25-B-0846	1,000	
19						
20	Total - Department of Agriculture				19,340	
21						
22	Department of Housing and Urban Development					
23	CDBG - Entitlement Grants Cluster					
24	Community Development Block Grants/Entitlement Grants	Direct grant				
25	CDBG		14.218	B-09-MC-180013	612,760	
26	CDBG		14.218	B-10-MC-180013	1,891	
27						
28	Total - Community Development Block Grants/Entitlement Grants				614,651	
29						
30	Total - CDBG - Entitlement Grants Cluster				614,651	
31						
32	CDBG - State-Administered CDBG Cluster					
33	Community Development Block Grants/State's Program and Non-	Indiana Office of Community and Rural Development				
34	Salvation Army Grant		14.228	DR1B-09-006	207,194	
35						
36	Total - CDBG - State-Administered CDBG Cluster				207,194	
37						
38	Housing Counseling Assistance Program	Direct grant				
39	Housing Counseling		14.169	HC10-0421-137	34,267	
40						
41	Shelter Plus Care	Direct grant				
42	Shelter Plus Care		14.238	IN0048C5H020802	19,664	
43						

## Grant Schedule SEFA Schedule

- Annual Report
  - Grant Schedule information inputted here
  - Due March 1
- Federal Report
  - SEFA or Schedule of Expenditures of Federal Awards
  - Created with macro from grant schedule
  - Part of audited financial statements

## Grant Summary

- Local Project Name
- Award #
- Award Name

## Grant Summary Continued

- Award Method/Grant Type
  - Advanced
  - Reimbursement
  - Other
    - Noncash
    - Loan
    - Income
    - insurance

## Grant Summary Continued

- Fund Name/Number
- Initiating Office/Department
- Contact Person Name
- Contact Person Phone
- Contact Person E-Mail

## Grant Summary Continued

- Pass-Through Agency
- Contact Name
- Contact Phone
- Contact E-Mail

## Grant Summary Continued

- Federal Grant? Yes or No
- Federal Agency
- Federal Project/Program Title
- CFDA#
- Passed to Subrecipients
  - If yes, subrecipient agency name
  - Amount passed through
- Notes

## Advance vs. Reimbursement

- Advanced grant = grant money is received before disbursements are made related to the grant activity
- Reimbursement grant = disbursement made with local funds then reimbursed with federal funds

## SEFA Schedule

- For advance grants
  - Expenditures on SEFA = disbursements
- For reimbursement grants
  - Expenditures on SEFA = receipts

## Annual Report Grant Schedule

- Disbursements = federal funds disbursed for the period being reported
  - Matching funds not included
- Receipts = federal funds received for the period being reported
  - Matching funds not included

## Control Environment

- The oversight body and management demonstrate a commitment to integrity and ethical values.
  - Ethics policy
  - Internal control alerts
  - Reporting system of fraud
- The oversight body oversees the entity's internal control system.
  - Control processes provided to oversight for review
  - Oversight body utilized for I/C ideas
  - Per county policy county auditor is lead in grant compilation

## Control Environment (Con't)

- Management establishes an organizational structure, assigns responsibility, and delegates authority to achieve the political subdivision's objectives.
  - Policy identifies county auditor responsible office for grant compilation
  - Policy identifies county auditor responsible office for directives to other offices receiving grants

## Control Environment (Con't)

- Management demonstrates a commitment to attract, develop and retain competent individuals.
  - HR department identifies required skill sets to fulfill duties
  - Evaluation of potential employees
  - Recruitment pools
- Management evaluates performance and holds individuals accountable for their internal control responsibilities.
  - Evaluation process in place
  - Includes internal control duties

## Risk Assessment

- Management defines objectives clearly to enable the identification of risks and defines risk tolerances.
  - Grant schedule compilation and reporting
    - In compliance
    - accurate
- Management identifies, analyzes and responds to risk related to achieving the defined objectives
  - All grants may not be included
  - Financial activity inaccurate

## Risk Assessment (Con't)

- Management considers the potential for fraud when identifying, analyzing and responding to risks.
  - Fraudulent report
- Management identifies analyzes, and responds to significant changes that could impact the internal control system.
  - Reporting requirements change



## Control Activities

- Management designs control activities to achieve objectives and respond to risks.
  - Directives of process and information
  - Checklist
  - Review of information
  - Proper recording of receipts
  - Verify inputted grant data
  - Maintain correspondence file
  - Grant agreement updates

## Control Activities

- Management designs the political subdivision's information system and related internal control activities to achieve objectives and respond to risks.
  - Normal receipting and expenditure control activities
- Management implements control activities through policies
  - Directives and procedures are documented as policy for auditors office and circulated among auditor staff.

## Information and Communication

- Management uses quality information to achieve the political subdivision's objectives.
  - Gateway reporting
  - Direct contacts at SBOA identified as primary
  - Grantor agency identified as primary
  - Each office or department that receives grants identified
  - Significant changes in external reporting communicated to oversight body.

## Information and Communication (Con't)

- Management internally communicates the necessary quality information to achieve the political subdivision's objectives.
  - E-mail identified as method used between offices
  - Policy and directive documentation provided via e-mail
- Management externally communicates the necessary quality information to achieve the entity's objectives.
  - Communication with external parties via e-mail

## Monitoring Activities

- Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results.
  - Utilize prior year audited grant schedule
  - Scan official records of financial activity and compare with grant amounts reported
- Management remediates identified internal control deficiencies on a timely basis.
  - Review for lack of supporting documentation
  - Lack of approvals
  - Variations in reported amounts